README file for replication package of "International Spillover Effects of US Monetary Policy Uncertainty" by Lakdawala, Moreland and Schaffer

The code in this replication package is written in Stata and Matlab and generates the 3 figures and 11 tables in the main text, as well as the 8 figures and 19 tables in the online appendix.

Data Availability and Provenance Statements

All data can be made publicly available, with the exception of the CME data on Eurodollar option and futures prices and Bloomberg data on asset prices (bond yields, equity indexes and exchange rates). For the CME and Bloomberg data, only derived data are included in the replication package, including short-rate uncertainty, short-rate surprises, and two-day changes in asset prices around FOMC announcements.

"Bloomberg data terminal documentation.docx", "Bloomberg_download_template.xlsx", and "data_raw_template.xlsx" provide instructions for compiling our raw asset price data.

Data file	Data source	Notes
`data/mpu.csv`	derived	Daily short-rate uncertainty measures derived from CME data, interpolated to one-year horizon
`data/mpu_2day.xlsx`	derived	Two day change in monetary policy uncertainty around FOMC announcements
`data/mp_data.dta`	derived	Monetary policy surprises and monetary policy uncertainty shocks around FOMC announcements
`data/yield_component_panel.dta`	derived	Expected (risk-neutral) component and term premium from JSZ yield decomposition
`data/fomc_panel.dta`	derived	Cleaned data with asset price changes and monetary policy shocks

		around FOMC announcements
`data/fomc_panel_b.dta`	derived	Cleaned data with asset price changes and monetary policy shocks around FOMC announcements; includes additional country specific variables
data/fomc_panel_news.dta	derived	Cleaned data with asset price changes and monetary policy shocks around FOMC announcements; includes additional macro news shocks
data/ tic_data.dta	derived	US holdings of foreign securities derived from Treasury International Capital reporting system following Bertaut & Tryon (2007), Bertaut & Judson (2014)
data/3monthLP_panel.dta	derived	Cleaned data with asset price changes and monetary policy shocks around FOMC announcements; longer horizons for 3 month yields to be used in local projection
appendix/data/fomc_acm_panel.dta	derived	Cleaned data with asset price changes and monetary policy shocks around FOMC announcements; includes US yield components using methodology of Adrian et al (2013)
appendix/data/KimWrightTermPremium.xlsx	https://www.federalreserve.gov/p	Data on the nominal term structure model from Kim

	ubs/feds/2005/200533/200533abs.html	and Wright 2005-33 FEDS paper
appendix/data/ fomc_target_path.dta	derived	Cleaned data with asset price changes and monetary policy shocks around FOMC announcements; includes target and path factors from Gurkaynak et al (2005)
appendix/data/ pvt_info_vars.dta	derived	Difference between Federal Reserve Greenbook forecasts and private sector Blue Chip forecasts of macro variables
appendix/data/LP_panel.dta	derived	Cleaned data with asset price changes and monetary policy shocks around FOMC announcements; longer horizons to be used in local projection
appendix/data/SEP_data.dta	derived	Summary of economic projections (SEP) forecast data and cleaned data with monetary policy shocks around FOMC announcements
appendix/data/ yield2y_country_mpu_estimates.dta	derived	Country specific 2 year yield responses to monetary policy uncertainty shocks
appendix/data/ yield10y_country_mpu_estimates.dta	derived	Country specific 10 year yield responses to monetary policy uncertainty shocks

Computational requirements

Software Requirements

- Matlab (version 9.10.0.1684407 (R2021a) Update 3)
- Stata (version 16)
  - The following packages must be installed:
    - ssc install reghdfe
    - ssc install xtscc
    - ssc install coefplot
    - ssc install outreg2

Description of code and instructions for replication

The Stata and MATLAB files containing all the code necessary for producing the tables and figures in the table are in the root folder of the replication package.

Stata code:

- The code and data used for producing each table and figure (other than figure 1) is listed in the below table.
  - Set the working directory to the replication folder's location on your drive to run the .do files

MATLAB code:

- The code and data used for producing figure 1 is listed in the below table.

List of tables and programs

The provided code reproduces all the tables and figures in the paper.

Figure/Table #	Program files
Table 1	table1.do; fomc_panel.dta
Table 2	table2.do; fomc_panel.dta
Table 3	table3.do; fomc_panel.dta
Table 4	table4.do; fomc_panel_news.dta
Table 5	table5.do; fomc_panel.dta
Table 6	table6.do; fomc_panel.dta
Table 7	table7.do; fomc_panel_b.dta
Table 8	table8.do; fomc_panel.dta; tic_data.dta

Table 9	table9.do; fomc_panel_b.dta
Table 10	table10.do; fomc_panel.dta
Table 11	table11.do; fomc_panel.dta
Figure 1	figure1.m; mpu_2day.xlsx
Figure 2	figure2.do; fomc_panel_b.dta
Figure 3	figure3.do; 3monthLP_panel.dta

Appendix:

Table A.1	tableA1.do; SEP_data.dta
Table A.2	*no file (table describes data coverage)*
Table A.3	tableA3.do; fomc_panel.dta
Table A.4	tableA4.do; fomc_panel.dta
Table A.5	tableA5.do; fomc_panel.dta
Table A.6	tableA6_a.do, tableA6_b.do, tableA6_c.do; fomc_panel.dta, fomc_amc_panel.dta, KimWrightTermPremium.xlsx & mp_data.dta
Table A.7	tableA7.do; fomc_panel_b.dta
Table A.8	table A8.do; fomc_panel.dta; tic_data.dta
Table A.9	tableA9.do; fomc_panel_b.dta
Table A.10	tableA10.do; fomc_panel_b.dta
Table A.11	tableA11.do; fomc_panel.dta
Table A.12	tableA12.do; fomc_panel.dta
Table A.13	tableA13.do; fomc_panel.dta
Table A.14	tableA14.do; fomc_panel.dta
Table A.15	table A15.do; fomc_target_path.dta
Table A.16	tableA16.do; fomc_panel.dta
Table A.17	table A17.do; fomc_panel.dta, pvt_info_vars.dta
Table A.18	tableA18.do; fomc_panel.dta
Table A.19	tableA19.do; fomc_panel.dta
Figure A.1	figureA1.do; fomc_panel.dta
Figure A.2	figureA2.do; fomc_panel_b.dta
Figure A.3	figureA3.do; fomc_panel_b.dta
Figure A.4	figureA4.do; LP_panel.dta
Figure A.5	figureA5.do; yield2y_country_mpu_estimates.dta, yield10y_country_mpu_estimates.dta
Figure A.6	figureA6.do; fomc_panel_b.dta
Figure A.7	figureA7.do; fomc_panel_b.dta
Figure A.8	figureA8.do; fomc_panel_b.dta